

**IN THE HIGH COURT OF PUNJAB & HARYANA AT
CHANDIGARH**

CWP No. 3737 of 2007

Mohan Dass and others

**.....Petitioners through
Mr. Vikram Singh,
Advocate**

versus

**Haryana Urban Development Authority
and another**

**.....Respondents through
Mr. Ajay Nara,
Advocate**

CWP No. 4034 of 2007

Smt. Manjit Kaur and others

**.....Petitioners through
Mr. Vikram Singh,
Advocate**

versus

**Haryana Urban Development Authority
and another**

**.....Respondents through
Mr. Ajay Nara,
Advocate**

CWP No. 4379 of 2007

Kusum Sharma and another

**.....Petitioners through
Mr. Sanjiv Gupta,
Advocate**

versus

**Haryana Urban Development Authority
and another**

**.....Respondents through
Mr. Vinod Bhardwaj,
Advocate**

CWP No. 4384 of 2007

Swaran Khurana

**.....Petitioner through
Mr. Sanjiv Gupta,
Advocate**

versus

**Haryana Urban Development Authority
and another**

**.....Respondents through
Mr. Vinod Bhardwaj,
Advocate**

CWP No. 4727 of 2007

Subir Aggarwal

**.....Petitioner through
Mr. Sanjiv Gupta,
Advocate**

versus

**Haryana Urban Development Authority
and another**

**.....Respondents through
Mr. Vinod Bhardwaj,
Advocate**

CWP No. 4458 of 2007

Mange Ram

**.....Petitioner through
Mr. Sanjiv Gupta,
Advocate**

versus

**Haryana Urban Development Authority
and another**

**.....Respondents through
Mr. Jaswant Singh
Advocate**

CWP No. 6560 of 2007

Satpal

.....Petitioner through
Mr. Sanjiv Gupta,
Advocate

versus

Haryana Urban Development Authority
and another

.....Respondents through
Mr. Ajay Nara,
Advocate

CWP No. 6453 of 2007

Samey Singh and others

.....Petitioners through
Mr. Vikram Singh
Advocate

versus

Haryana Urban Development Authority
and another

.....Respondents through
Mr. Ajay Nara,
Advocate

CORAM: HON'BLE MR. JUSTICE VIJENDER JAIN,
CHIEF JUSTICE
HON'BLE MR. JUSTICE MAHESH GROVER

1. **Whether Reporters of Local Newspapers may be allowed to see the judgment ?**
2. **To be referred to the Reporters or not ?**
3. **Whether the judgment should be reported in the Digest ?**

Vijender Jain, Chief Justice (Oral)

This judgment will dispose of eight civil writ petitions No.3737, 4034, 4379, 4384, 4727, 4458, 6560 and 6453 of 2007, as common question of law and facts are involved in these cases.

In the aforesaid writ petitions, the petitioners have challenged the orders of Haryana Urban Development Authority charging compound interest on the delayed payments of additional prices of the plots.

Learned counsel for the petitioners have contended that the aforesaid question has already been settled by a Division Bench of this Court in **Gian Inder Sharma v. Haryana Urban Development Authority** in CWP No. 16497 of 2001 decided on 11.11.2002. They further contended that only simple interest can be charged in view of the decision of this Court in CWP No. 2278 of 1999 **M/s Bhatia Brothers v. The Haryana Urban Development Authority and others** decided on February 14, 2000.

After hearing counsel for the parties, we are of the considered view that the matter involved in these writ petitions is squarely covered by the decision of this Court in **Gian Inder Sharma** case (supra). In the said case, it was held as under:-

“ We are of the opinion that the respondents are not entitled to charge compound interest on the delayed payment of additional price of the plot in question. They can charge only simple interest at the rate

of 15% per annum on the amount. The case of the petitioner is squarely covered by Division Bench decision of this Court in M/s Bhatia Brother's case (supra). Learned counsel for the respondents could not point out to us any provision of law under the Act and the 1978 Regulation or any condition in the allotment letter, which authorised the respondents to charge compound interest on the delayed payment. As per clause 6 of the allotment letter, the respondents are entitled to charge 10% interest on the amount of installment. The contention of the petitioner that he is liable to pay simple interest at the rate of 15% per annum on the delayed payment of additional price of the plot in question is totally justified. The respondents, inspite of the decision of this Court, are illegally demanding the compound interest on the aforesaid delayed payment from the petitioner. We find that action of the respondents in demanding compound interest from the petitioner is totally unreasonable and arbitrary and without any authority of law. Therefore, we direct that the respondents can charge only simple interest at the rate of 15% per annum from the petitioner on the delayed payment of additional price of the plot in question. Since the petitioner has already deposited Rs. 2,10,000/- under protest with the respondents towards the additional price, the respondents are directed to calculate the additional price with 15% simple interest and adjust the same towards the above payment made by the petitioner. If there is any excess amount the same shall be refunded to the petitioner within a period of three months. It is, however, made clear that no penalty can be charged from the petitioner on account of delayed payment of additional price. However, if there is any other amount due against the petitioner, the same shall also be adjusted against the payment already made by him and after

making adjustment, if any amount is fund due towards him, the same can be recovered from him.”

In **M/s Bhatia Brother's** case (Supra) also, it was held that as per clause 6 of the allotment letter, the respondents are entitled to charge interest @ 15% per annum on the delayed payment of the additional price.

On 13.03.2007, while noticing the fact that the controversy has already been decided in the aforesaid cases, and the Haryana Urban Development Authority itself is charging simple interest and refunding compound interest, we asked them to explain as to why a policy has not been adopted to the aforesaid effect and also why the affected parties have been forced to come to this Court in individual cases.

Learned counsel appearing for the HUDA says that matters in these cases were decided prior to the date of decision in **M/s Bhatia Brother's** case (Supra).

Be that as it may, we deem it appropriate to observe that since the matter has been conclusively answered in the aforesaid judgments and that the controversy now needs to be buried at the end of the Respondent-HUDA, and that in view of the law, they are directed to frame a comprehensive policy to that effect so as to obliterate the chances of any further litigations on the subject, as they are expected to apply the law uniformly to all affected persons.

We, therefore, dispose of all these writ petitions with a direction that Haryana Urban Development Authority shall uniformly apply the guidelines issued in **Gian Inder Sharma** case (supra) to all affected and also in the cases of writ petitioners. Respondents are further directed to

decide each case of the writ petitioners within a period of eight weeks from today.

(VIJENDER JAIN)
CHIEF JUSTICE

(MAHESH GROVER)
JUDGE

08.05.2007
'ravinder'
